

## IX. HOUSING PROGRAMS

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#### A. INTRODUCTION

The purpose of this chapter is to describe the minimum requirements for the administration of a Small Cities CDBG-EAP housing program, and to establish some basic uniform guidelines.

#### B. CALCULATING INCOME

1. Section 8 income levels, as established by the Department of Housing and Urban Development, define low and moderate incomes (LMI) and must be used for this program.

2. For the purpose of calculating income, you must use the following definition:

Total household income shall include all income sources from all members of the household who are at least 18 years of age. Annual household income includes, but it not limited to:

- a. The gross amount, before **ANY** payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips, and bonuses;
- b. The net income from the operation of a business or profession, or from rental of real or personal property (depreciation on buildings and/or equipment must be added back into the income amount);
- c. Interest and dividends;

- d. The full amount of periodic payments received (including minor children) from Social Security, annuities, insurance policies, retirement funds, pensions, disability or death benefits and other similar types of periodic receipts;
  - e. Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation and severance pay.
  - f. Public assistance. If the public assistance payment includes an amount specifically designated for shelter and utilities, which is subject to adjustment by the public assistance agency, in accordance with the actual cost of shelter and utilities, the amount to be included as income shall consist of:
    - 1) The amount of the allowance or grant exclusive of the amount specifically designated for shelter and utilities, plus
    - 2) The maximum amount which the public assistance agency could in fact allow the household for shelter and utilities;
  - g. Periodic and determinable allowances, such as alimony and child support income, and regular contributions or gifts received from persons not sharing the household;
  - h. All regular pay, special pay and allowances of a member of the Armed Forces (whether or not living in the household) who is the head of the household or that person's spouse.
3. Excluded in the determination of annual household income is:
- a. the income of any household member (other than the household head or spouse) who is under 18 years of age, or is a full-time student (under 22 years of age)
  - b. any nonrecurring temporary income such as inheritances, insurance payments (including payments under health and accident insurance, and workmen compensation), capital gains, and settlement for personal property losses
  - c. child support payments made and expected to continue for at least one year
  - d. income received for the care of foster children or foster adults
  - e. income of live-in aides
  - f. income from HUD training programs
  - g. income from educational scholarships paid directly to the student or educational institution
  - h. income from the government to a veteran for the use in meeting the costs of tuition, fees, books, equipment, materials, supplies, transportation, and miscellaneous personal expenses of the student

- i. special pay to a household member serving in the armed forces who is exposed to hostile fire
  - j. amounts specifically excluded by any other federal statute from consideration as income
  - k. amounts received by a participant in other publicly assisted programs which are specifically for or in reimbursement of out-of-pocket expenses incurred (special equipment, clothing, transportation, child care, etc.) and which are made solely to allow participation in a specific program
  - l. amounts received by a disabled person that are disregarded for a limited time for the purposes of SSI eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency (PASS)
  - m. regularly recurring medical expenses, for a chronic medical condition which is not covered by insurance, and which may reasonably be expected to continue
  - n. annual rent credits or rebates paid to senior citizens by government agencies
  - o. relocation payments under Title II of the Uniform Act
  - p. face value of food stamps
  - q. payments received from VISTA, Retired Senior Volunteer Program, Foster Grandparents Program, youthful offender incarceration alternatives, or senior companions
  - r. payments received under the Job Training Partnership Act
  - s. earned income tax credit refunds
  - t. reimbursements for the costs of medical expenses
  - u. assets
  - v. adoption assistance payments
  - w. amounts paid by a state agency to a family with a member who has a developmental disability and is living at home to offset the cost of services and equipment needed to keep this developmentally disabled family member at home
4. It is important to treat all applicants fairly and consistently when calculating income. Income may be calculated by any one of the following methods:
- a. verifying an applicant's income from the previous year
  - b. projecting an applicant's income for the next 12 months based on their average income for the most recent 3 months

- c. using the average income from the last 6 months and adding to it the projected income for the next 6 months (based on the current month's income)
5. Whenever possible, the occupants' most recent tax return must be used to verify that all sources of income have been considered in the income calculation.
6. Household size includes all full-time household members, foster children, and other minor children who reside in the household for more than 50% of the year.
7. Use the following formula to calculate business profit/loss for applicants who are self employed:

Gross regularly recurring income  
- (minus) total expenses  
+ (plus) depreciation  
= (equals) business profit

If the calculation results in a negative number, you can assume the family is living on loans.

8. Income must be verified within six months of loan closing.

#### C. LMI BENEFIT

1. All occupants directly benefiting from a CDBG-EAP housing rehabilitation program must have a household income that does not exceed 80% of the county's median income.

#### D. PROGRAM ADMINISTRATOR

The Program Administrator's office shall maintain written records of CDBG-EAP activities including minutes of CDBG-EAP meetings, grant applications and related documents, and other CDBG-EAP business matters. All individual project files will be maintained as confidential records.

The Program Administrator will publicize the Program, receive applications, verify applicant eligibility, and make funding recommendations to the CDBG-EAP Committee.

The housing inspector will work with the applicant and the Program Administrator to prepare an initial inspection report, work write-up and cost estimate. The inspector will also inspect work prior to approval of progress and final payments.

#### E. HOUSING COMMITTEE

A grantee may elect to establish a housing committee for the purpose of reviewing grant applications and making emergency grant awards. The committee should be representative of the community it serves, with special attention given to representation of the program area and low- and moderate-income persons. The committee should meet regularly according to the method of grant approval identified in this Handbook, and in such a place as to provide reasonable public access. The committee may receive a payment for time spent on CDBG-EAP business ONLY if other similar committees (e.g., public works committee, zoning committee) also receive such a payment.

The CDBG-EAP Committee is composed of 3, 5 or 7 members appointed by the Chief Elected Official. The purpose of the committee is to review and rank all grant applications, to resolve complaints and disputes within the Program, and to establish Program policy.

The CDBG-EAP Committee meetings will be held at local handicap accessible buildings. Contact the Program Administrator for meeting time and location.

#### F. RENTAL REHABILITATION

Only with prior approval from Commerce may a CDBG-EAP grant be made to landlords for the rehabilitation of rental unit(s). If such a situation arises, contact Commerce immediately for guidance prior to making any commitments.

#### G. QUALIFYING PROGRAM ACTIVITIES

##### 1. Program Objectives

The primary objective of this program is to provide funds for the repair or restoration of housing units damaged by a disaster.

As a general rule, dwellings will not be rehabilitated if they are structurally unsound or if the combined total of the present value of the structure and the cost of rehabilitating the structure exceed the after-rehabilitation fair market value of the property. Dependent on available funding, such structures will be demolished and the sites prepared for alternative use with as little disturbance to the site as possible.

##### 2. Owner-Occupant Rehabilitation Grants

Properties in the floodplain will be required to purchase flood insurance; all property owners will be encouraged to be insured against loss by fire and other perils.

##### 3. Acquisition/Relocation

The Grantee may acquire dilapidated dwellings using CDBG-EAP funds. CDBG-EAP funds will be used to pay all displacement and relocation costs due to the occupants, and to demolish the structures.

- a. Properties will be acquired in accordance with all state and federal requirements: namely, 24 CFR 42, and related portions of Wisconsin Statutes Chapter 32. Copies (or summaries in simplified formats) of these regulations will be available for public review. Appropriate forms and brochures will be made available, as required and explained to interested persons by the Program Administrator.
- b. If, in conjunction with the Wisconsin State Historical Society, it is determined that a site or the structure has potential historical significance, that site and/or structure will be dealt with in a manner acceptable to the goals of this Program and with due consideration to Section 10b of the National Historical Preservation Act of 1966, and Executive Order 11593. Units will not normally be moved or demolished without prior notification and approval of the Historical Society.

## H. ELIGIBILITY REQUIREMENTS

### 1. Eligible Applicants

a. Homeowners who meet the income guidelines and whose residence sustained damage during the disaster are eligible for assistance.

#### b. LMI Owner-Occupied Housing

(1) To be eligible for a CDBG-EAP rehabilitation grant, an applicant must be an owner-occupant or land contract buyer.

(2) The applicant's income shall not exceed 80% of the County's Median Income.

#### c. Additional Eligibility Requirements

Land Contracts. For the purpose of the Program, the term "land sales contract" refers to any transaction, regardless of the classification by which it is known, in which the purchaser obtains fee simple title to the property only by completing a series of installment payments over a period of years.

### 2. Eligible Properties

To be eligible for a rehabilitation grant, a property must be located within the area identified in the contract.

### 3. Eligible Work

Financial assistance under this Program shall be available for the categories detailed in your contract. CDBG-EAP funds are to be used for the following work necessary to restore the housing unit to pre-disaster condition including, but not limited to, the following:

(a) The rehabilitation, removal or replacement of elements of the dwelling structure, including foundation, floors, walls, roof and basic equipment. The term "basic equipment" includes such items as furnace, water heater, electrical and plumbing, and smoke alarms.

(b) Grading, filling and basic landscaping of housing site.

(c) Repair/replacement of water and sanitary sewer, electric and gas connections to the housing unit.

(d) Other necessary rehab, which is related to the activities, necessitated by the disaster damage. Please call your Project Representative for guidance prior to making any commitments.

All units receiving CDBG-EAP funds must have a functional smoke alarm system in place upon completion of the rehabilitation work. All rehabilitation work must comply

with the requirements of the local municipal Maintenance and Occupancy Code (if applicable).

If, during the inspection of the disaster-related damages, another unrelated hazard is identified that poses an immediate threat to the health or safety of the homeowner (e.g., lead), that condition may be corrected with the CDBG-EAP funds.

**PLEASE NOTE:** If inspection has determined the unit is beyond repair, replacement housing funds may be granted. Please call Commerce prior to making any commitment for replacement housing funds. In most cases, these funds will not exceed 50% of the pre-disaster Fair Market value of the home.

I. **INELIGIBLE WORK**

Financial assistance under this Program shall be not available for:

1. Expansion of the size of the structure, or the finishing of unfinished spaces.
2. Materials, fixtures, equipment or landscaping of a type or quality which exceeds that customarily used in properties of the same general type as the property to be rehabilitated.
3. Purchase, installation or repair of furnishings.

J. **ADMINISTRATIVE COSTS**

Administrative costs which are specifically related to a particular rehabilitation grant (e.g., inspection fees) may be charged against the rehabilitation budget line ONLY if the charges are included in the amount of the grant.

**Inspections and Specifications**

The following requirements apply to CDBG-EAP funded activities:

1. All property must be inspected by a trained building inspector.
2. A written detailed report of the findings of all inspections must be included in each project file.
3. A list of detailed work specifications must be developed based on the initial housing inspection.
4. For purposes of environmental review, if the age of the structure is not known, it must be assumed to be over 50 years old.
5. A thorough inspection of the work must be completed prior to authorizing the payment of funds for the rehabilitation.
6. All project files must contain a FINAL INSPECTION CHECKLIST (Attachment 4).

K. **REHABILITATION ACTIVITIES, COSTS AND PAYMENTS**

1. Bidding

Whenever possible, the grantee will establish rehabilitation grant amounts based on specific "project" bids. If a "time and materials" bid estimate is to be used, the grantee must get prior approval, in writing, from Commerce.

Whenever possible, the grantee will prepare a cost estimate to accompany the work specifications. This cost estimate will be used to evaluate the appropriateness of the bids submitted for the project.

Contractors will submit bids ONLY to the CDBG-EAP program administrator.

2. Smoke Detectors

ALL housing units which are rehabilitated in whole or part using CDBG-EAP funds must have an adequate number of functioning, properly placed smoke detectors. The purchase and installation of smoke detectors is an eligible CDBG-EAP expense.

Smoke detectors must be placed:

- in the basement;
- at the head of every open stairway;
- at the door on each floor leading to every enclosed stairway; and
- either in each sleeping area of each living unit or elsewhere in the unit within 6 feet from the doorway of each sleeping area and not within a kitchen.

3. Asbestos

Asbestos is most commonly found in older homes in pipe and furnace insulation materials, asbestos shingles, millboard and transite siding, textured paints and other coating materials, and floor tiles. The only way to identify whether a material is asbestos (containing more than 1% asbestos) is to test the material. The handling of asbestos-containing materials is regulated by the Environmental Protection Agency (EPA) under the National Emissions Standards for Hazardous Air Pollutants (NESHAP), 40 CFR Part 61, and the Occupational Safety and Health Administration (OSHA) under regulations delineated in 29CFR 1926.1101.

In Wisconsin, the Department of Natural Resources (WDNR) enforces the control of asbestos emissions through chapter NR447 Wisconsin Administrative Code. The Wisconsin Department of Health and Family Services (WDHFS) requires and enforces training and certification of individuals involved in asbestos-related activities through chapter HFS159, Wisconsin Administrative Code.

## **General Policy on Asbestos:**

ALL rehabilitation that is done in whole or part with CDBG-EAP funds must comply with state and federal asbestos removal requirements.

- ◆ Leave undamaged asbestos in place. Asbestos should only be removed when it is damaged, crumbling, or disturbed by building renovation or demolition.
- ◆ Contractors certified by WDHFS or homeowners can legally perform removal of asbestos-containing material.
- ◆ Regulations regarding disposal in an approved landfill must be followed. Disposal is regulated by WDNR, Bureau of Solid Waste Management.

## **Important:**

Renovations or demolition of a single, isolated, residential dwelling unit or structure with 4 or fewer dwelling units is exempt from WDNR asbestos regulations for air emissions

## **BUT**

WDHFS regulations regarding certification and training accreditation of workers are applicable. If a contractor is removing asbestos-containing materials, s/he must be certified and WDHFS must be notified 10 days prior to start of project.

## 4. Mobile Homes

CDBG-EAP funds may be used to rehabilitate mobile homes ONLY if the repairs do not exceed the pre-disaster assessed value.

CDBG-EAP funds may be used to replace a mobile home damaged as a result of a disaster using the following guidelines.

- a. The value of a moderately-priced modular home, which is equal to or less than the square footage of the damaged mobile home, is established.
- b. No more than 50% of that value, as adjusted by any other housing assistance received by the owner as a result of the disaster, is offered to the owner of the mobile home.
- c. The owner of the mobile home uses those funds toward the purchase of permanent replacement housing. In no case, will any funds be disbursed that exceed the actual cost of the replacement housing.

## 5. Lead-Based Paint

All **OCCUPANTS** of housing units built prior to 1978 must be notified of the hazards of lead-based paint. Each applicant should be given a copy of the lead-based paint pamphlet entitled "Protect Your Family From Lead in Your Home," to learn of the symptoms and treatment of lead-based paint poisoning, of the need to identify lead-based paint hazards through environmental inspection and blood lead tests, and of the importance and availability of maintenance and removal techniques of

eliminating such hazards. Licensed contractors should be used to remove lead-based paint from a household.

The introduction of lead-based paint in residential structures rehabilitated in whole or part with CDBG funds is prohibited. All contracts for housing rehabilitation and/or housing development must prohibit the introduction of lead-based paint.

The “Protect Your Family From Lead in Your Home” pamphlet can be found on the internet at: <http://epa.gov/lead/leadpbcd.htm>, under Brochures and Posters.

**PLEASE NOTE:** The lead-based paint rules are waived in emergency situations.

## 6. Contractor Payments

- a. Payment may be made to a contractor ONLY after a Contractor’s Payment Request (page IX-45) has been completed and signed by all parties.
- b. Payment may be made for work done or materials purchased and on site only—NO ADVANCES.
- c. Payment to contractors must be in the form of a two-party check made out to the contractor and the property owner. In cases of dispute, a one-party check may be issued to the contractor ONLY after satisfactory completion of work and written documentation of inspection.
- d. No payment may be made where the work to be paid for has not been completed properly.
- e. When the rehab work proves to be inferior after all parties have “signed off,” but within the guarantee period (usually one year), the contractor must be informed, in writing, of the specific problem and required to return to the job site to make appropriate repairs.
- f. The contractor must be given the opportunity to correct his or her work. If a contractor has demonstrated that he or she is not available to, or capable of making the appropriate repairs in an adequate or a timely manner, another contractor may be brought in to make the required repairs.

When a second contractor is brought in to repair work done by another contractor, the cost of the repairs must be added to borrower’s grant.

- g. When a contractor fails to begin all or a portion of a rehab project, the Grantee must notify the contractor, in writing, that if the project is not begun, or adequate progress made, by a specified date, the contract will be cancelled. When no, or minimal, work has been done on a project, the entire project may be re-bid or awarded to the next highest bidder.
- h. When a contractor fails to properly complete a project, and does not respond to a written request to correct the work, the Grantee must notify the contractor, in writing, that failure to respond by a specified date will result in contract termination. The contractor must also be informed that **no funds will be paid out for work improperly done.**

In consultation with the property owner, the Grantee may decide either to reduce the amount of the grant owed by the property owner, or to use the funds not paid out (and additional funds as necessary) to pay another contractor to complete the work properly.

**IN NO CASE** may CDBG-EAP funds be paid out twice for the same work.

- i. If CDBG-EAP funds were paid out for work that was not properly done, or for work which had not been adequately inspected and approved, the Grantee must return the improperly issued amount to the CDBG-EAP program from the Grantee's general fund.

## 7. Reimbursement

CDBG-EAP funds can be used to reimburse homeowners for the cost to repair damages sustained to their primary residence from a natural or manmade disaster. The homeowner must have receipts for all eligible expenses.

## 8. Floodplain

If a housing unit receiving CDBG-EAP funds is located in a floodplain, the following requirements must be met:

- The grantee must notify the owner and the occupants in writing that the unit is located in the floodplain.
- The property must be covered by flood insurance for at least one year in at least the amount of the CDBG-EAP grant. If the property owner cannot afford to purchase flood insurance, the cost of one year of flood insurance may be added to the CDBG-EAP grant.
- A permanent record of the EAP work done on the property must be maintained by the grantee. CDBG-EAP funds **may not** be used to make the same repairs in the future. For example, if CDBG-EAP funds are used to repair a porch on a property located in the floodplain, future CDBG-EAP grants may be used to repair a furnace or the roof, but not the porch.
- All structural repairs or modifications of structures shall be floodproofed.
- If the cost of the rehab exceeds half of the pre-rehab (or pre-disaster, in the case of a flood or tornado) market value, additional environmental requirements must be met. Contact the Commerce Environmental Review desk **prior** to beginning the rehab.

## 9. Life Estates

Persons occupying a dwelling unit under a life estate agreement are eligible for a CDBG-EAP rehab grant under the following conditions:

- a) The person(s) occupying the dwelling to receive CDBG-EAP rehab must be LMI.
- b) The life estate agreement terms must be written out, signed and recorded.

L. RECORDS

1. Program Files

The grantee must maintain a file of general program information, available for public inspection. At a minimum, the housing program file must include:

- a. Housing Committee membership list.
- b. Minutes from Housing Committee meetings.
- c. Program outreach materials.
- d. Staff time records.
- e. Detailed map of target area(s).

2. Housing Application Format

All applications for assistance with CDBG-EAP funds must include at a minimum:

- applicant's name and address
- occupant's name and address
- rehab address
- age of property
- number of children in the household and their ages
- racial, ethnic, and gender characteristics of the head of household
- conflict of interest question

The grantee will maintain a record of **all applicants for and beneficiaries** of CDBG-EAP funds.

3. Housing Rehabilitation Project File (Title or number of file)

- a. Name of grant recipient and address of property to be improved.
- b. A completed rehabilitation application form.
- c. Release of information form.
- d. Eligibility determination (income verification, title, insurance, etc.).

- e. Property inspection reports (before, during and after rehab).
- f. Specifications of work to be done.
- g. Bids for work to be done.
- h. Acceptance of bid(s) by homeowner.
- i. Final grant approval by Grantee.
- j. Grant agreement with homeowner.
- k. Lead-based paint booklet to occupants.
- m. Signed rehab contract (including lead-based paint provision).
- n. Request by contractor for each payment made.
- o. Homeowner's payment authorization.
- p. Lien waivers.
- q. Written and authorized change orders.
- l. Notice of non-displacement to tenants (if applicable).
- r. The landlord agreement (if applicable).
- s. Verification of LMI tenants (if applicable).
- t. Documentation of payments already made.
- u. Documentation of other funds received.

#### M. APPLICATION PROCEDURES

Property owners interested in obtaining CDBG-EAP assistance to rehabilitate their property may obtain an application form and information concerning the program from the Program Administrator. No application will be accepted if more than 90 days have passed since the CDBG-EAP award date, as identified in the contract.

##### 1. Grant Application

The Program Administrator will interview applicants, explain the program, and assist in the completion of a written application. Applicants will provide written authorization to verify financial and property ownership information.

##### 2. Verification of Information

The Program Administrator will verify ownership of the property to be rehabilitated and annual income of the housing unit occupants.

3. Federal Flood Insurance Program

Title V of the National Flood Insurance Reform Act, Section 524, requires federal agency lenders to notify homeowners that flood insurance is required on applicable projects. This includes projects secured by property located or to be located in a special flood hazard area of a community. The community must be participating in the National Flood Insurance Program in order for the homeowner to be eligible for financial assistance.

If the homeowner fails to buy flood insurance on his/her own, CDBG-EAP can provide assistance in the form of a grant to help the homeowner pay for one year of flood insurance. If the homeowner does not maintain the flood insurance, and the home floods again, the homeowner will not be eligible for additional CDBG-EAP assistance.

4. Property Inspection

- a. The Program Administrator will arrange with the applicant for an inspection to be made of the property for which a grant is being sought. On the basis of the inspection, made jointly by the inspector and the applicant, an inspection report and work write-up will be prepared. The inspection report and work write-up will identify damage caused by the disaster. Code violations and other deficiencies, which are eligible under the CDBG Program, may be addressed if they relate to hazard mitigation.
- b. A cost estimate of the work required or proposed to be done will be prepared. The cost estimate will serve as a basis for determining the reasonableness of the bid or bids for the rehabilitation work.

5. Priority System

The income level for owner-occupied households receiving assistance must be at or below the 80 percent of county median income.

The CDBG-EAP Committee will review all applications taking into consideration such factors as it deems appropriate to fairly distribute rehabilitation monies to create the maximum impact consistent with the Program.

6. Reimbursement

CDBG-EAP funds can be used to reimburse homeowners for the cost to repair damages sustained to their primary residence from a natural or manmade disaster. The homeowner must have receipts for all eligible expenses.

7. Notice of Approval or Rejection

If the CDBG-EAP Committee approves the application, a Notice of Eligibility will be sent to the applicant, who must then contact the community development office by the date specified. If the committee rejects the application, a Notice of Ineligibility will be sent to the applicant to explain the determination.

8. Complaint Procedure

An applicant may appeal the decision of the CDBG-EAP Committee by submitting, in writing, a request for reconsideration and the reason for the request. If the committee again determines the applicant to be ineligible, the Chief Elected Official will designate a board to hear the appeal and make the final decision.

## N. CONTRACTING AND BIDDING

### 1. Rehabilitation Contracts

- a. Rehabilitation contract shall be between the property owner and the contractor. The property owner will select the contractor to whom the contract shall be awarded.
  - 1) The Program Administrator may supply a current listing of eligible contractors and subcontractors who are interested in doing rehabilitation work.
  - 2) Contracts shall be awarded on a competitive bid basis whenever practicable. The community development office may assist the property owner in obtaining bids and may make recommendations concerning the award of contracts. If the property owner awards the contract to a contractor not recommended by the community development office, and if the contract price is higher than the bid price of the contractor recommended, the committee may require the property owner to pay the additional contract amount. All change orders require written approval of the property owner, Program Administrator and contractor.
- b. When the property owner is financing part of the rehabilitation work, the property owner shall provide evidence satisfactory to the CDBG-EAP Committee of his/her financial capability to do so. If the property owner is financing part of the rehabilitation work, payments to the contractor shall utilize the property owner's money first, and then CDBG-EAP funds.

### 2. Work By Applicant

If the applicant elects to act as his or her own contractor, the applicant must demonstrate to the satisfaction of the CDBG-EAP committee that he or she is capable of performing the work and will complete the work in a timely fashion. If accepted, the applicant will sign a Labor Agreement. The agreement must contain a bid for each subcontracted item and must clearly show the work to be performed by the applicant and the cost of the materials to be used. CDBG-EAP funds may not be used to pay the property owner for his or her own labor.

### 3. Work Performance

All work will be performed in accordance with local housing codes and other standards of acceptable performance. The community development office will provide performance specifications for the rehabilitation work.

## O. DISTRIBUTION OF FUNDS

### 1. Closing Procedure

The Program Administrator will meet with the applicant to execute the required documentation, to include:

- a. Review all documents involved in the grant and,
  - 1) Sign rehabilitation contract.
  - 2) Sign contractor's Notice to Proceed.
  - 3) Sign lead-based paint information documentation.
  - 4) Sign smoke detector requirement documentation.
- b. Receive the applicant's proof of insurance for the file.

### 2. Progress Payments

- a. Upon receipt of a completed Contractor's Payment Request, the Program Administrator shall approve and make payment to the contractor in an amount not to exceed 80 percent of the amount due the contractor for work satisfactorily completed. The remainder due the contractor shall be withheld pending satisfactory completion of the rehabilitation project.
- b. Each request for progress payment shall be made on the form provided.
- c. Each request for progress payment shall contain:
  - 1) The contractor's certification that the work for which the progress payment has been requested has been performed in accordance with the terms of the contract.
  - 2) Certification by the CDBG-EAP inspector that necessary inspections have been made and the work has been satisfactorily performed in accordance with the contract.
  - 3) The signature of the CDBG-EAP applicant denoting approval of the work for which payment is requested.
- d. All payments by the CDBG-EAP program to the contractor shall be by check, made payable to the property owner and contractor jointly.
- e. For contracts of less than \$2,000, a single payment shall be made to the contractor upon satisfactory completion of the work. For contracts greater than \$2,000, partial payments may be made to the contractor. The committee may require the contractor to post Performance and/or Payment Bonds if deemed necessary.

- f. In the event a dispute arises between the applicant and the contractor with respect to the rehabilitation work, the Program Administrator shall take appropriate action in accordance with provisions of the Rehabilitation Contract and "Applicant's Authorization to Terms and Conditions of Grant." If such a dispute cannot be readily resolved between the applicant and the contractor, the Program Administrator, with approval of the CDBG-EAP committee, may make payments directly to the contractor, provided the work has been satisfactorily completed and certified by the inspector.
  - g. The Program Administrator shall advise the applicant of any noncompliance in the rehabilitation work or of any incorrect invoice submitted by the contractor if the work completed is not in accordance with the requirements of the Rehabilitation Contract. The applicant, with the assistance of the Program Administrator, shall be requested to obtain appropriate corrective action from the contractor. No payment shall be made on the rehabilitation contract until the contractor has satisfactorily completed the necessary action.
  - h. Upon completion of all work, a request for final payment shall contain:
    - 1) The contractor's certification that the work for which the payment has been requested has been performed in accordance with the terms of the contract.
    - 2) Certification by the CDBG-EAP inspector that necessary inspections have been made and the work has been satisfactorily performed in accordance with the contract.
    - 3) The signature of the CDBG-EAP applicant denoting approval of the work for which payment is requested.
    - 4) Lien waivers from each contractor, subcontractor and material supplier.
    - 5) A copy of each warranty due the owner for the work.
3. Close Out Procedures
- a. After all funds have been disbursed for the grant, the Program Administrator will prepare a closing statement which shall account for disposition of the CDBG-EAP grant. The community development office shall retain the original closing statement and a signed copy shall be mailed to the applicant.
  - b. The Program Administrator shall review each project file following close out to determine if all documents have been properly executed and are contained in the file.

## APPENDIX A

### CDBG-EAP PROGRAM MANAGEMENT FORMS

Emergency Assistance Program Application .....	IX-19
Initial Inspection Form .....	IX-21
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Final Inspection Checklist .....	IX-24
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Notice of Ineligibility .....	IX-26
Ownership Verification .....	IX-27
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## **CDBG-EAP Emergency Assistance Program Application**

1. APPLICANT NAME (LAST, FIRST, MI)		2. SOCIAL SECURITY NO.* ____ - ____ - ____		3. CURRENT PHONE ____ / ____	
4. CO-APPLICANT NAME (LAST, FIRST, MI)		5. SOCIAL SECURITY NO.* ____ - ____ - ____		6. DATE OF LOSS ____ / ____ / ____	
7. DAMAGED PROPERTY ADDRESS			8. CURRENT MAILING ADDRESS IF DIFFERENT		
9. COUNTY NAME	10. <input type="checkbox"/> OWNER-OCCUPIED <input type="checkbox"/> RENTAL UNIT	11. TYPE OF PROPERTY <input type="checkbox"/> SINGLE FAMILY <input type="checkbox"/> MULTI-FAMILY <input type="checkbox"/> MOBILE HOME <input type="checkbox"/> OTHER	12. IS DWELLING IN 100 YR. FLOODPLAIN? <input type="checkbox"/> YES <input type="checkbox"/> NO	13. AGE OF DWELLING	14. APPLICANT'S PRIMARY RESIDENCE <input type="checkbox"/> YES <input type="checkbox"/> NO

\* Providing your social security number is not mandatory. Sole use is to ensure accurate application identification.

### **I. FINANCIAL INFORMATION**

ASSESSED PROPERTY VALUE	NAME(S) AS ON PROPERTY TITLE	PROPERTY HELD IN <input type="checkbox"/> FEE SIMPLE <input type="checkbox"/> LAND CONTRACT <input type="checkbox"/> OTHER
-------------------------	------------------------------	---

**GROSS MONTHLY INCOME:** Income includes, but is not necessarily limited to, income from all gross wages, salaries, commissions; net income from self-employment, net income from the operation of real property; interest and dividend income; social security, SSI, pensions, AFDC, alimony, child support, and other benefit income.

EMPLOYMENT INCOMES AND COMMISSIONS	\$ _____
DIVIDENDS/INTEREST	\$ _____
NET RENTAL INCOME	\$ _____
OTHER INCOME (ALIMONY, CHILD SUPPORT)	\$ _____
<b>TOTAL GROSS MONTHLY INCOME</b>	\$ _____

FUNDS APPLIED FOR AND/OR RECEIVED FROM:					
Federal Emergency Management Agency (FEMA)	_____ APP	\$ _____ RECEIVED	_____ PENDING	_____ DENIED	
Small Business Administration (SBA)	_____ APP	\$ _____ RECEIVED	_____ PENDING	_____ DENIED	
Individual and Family Grant (IFG)	_____ APP	\$ _____ RECEIVED	_____ PENDING	_____ DENIED	
State/Local	_____ APP	\$ _____ RECEIVED	_____ PENDING	_____ DENIED	
Banks	_____ APP	\$ _____ RECEIVED	_____ PENDING	_____ DENIED	
Insurance	_____ APP	\$ _____ RECEIVED	_____ PENDING	_____ DENIED	
Other (ATTACH SEPARATE SHEETING EXPLAINING)					

### **II. CONFLICT OF INTEREST**

Do you have family or business ties to any of the following people? If **yes**, disclose the nature of the relationship.

Names of covered persons	Relationship

CHECK/CIRCLE DATA WHICH APPLIES (not required)		
Race/Ethnicity of Head of Household (optional)	Size of Household	Head of Household
<input type="checkbox"/> White <input type="checkbox"/> Black/African American <input type="checkbox"/> Asian <input type="checkbox"/> American Indian/Alaskan Native <input type="checkbox"/> Native Hawaiian/Other Pacific Islander <input type="checkbox"/> American Indian/Alaskan Native & White <input type="checkbox"/> Asian & White <input type="checkbox"/> Black/African American & White <input type="checkbox"/> American Indian/Alaskan Native & <input type="checkbox"/> Black/African American <input type="checkbox"/> Balance/Other <input type="checkbox"/> Hispanic	<input type="text"/> Person(s)	<input type="checkbox"/> Single/Non Elderly <input type="checkbox"/> Elderly (>62) <input type="checkbox"/> Single Parent <input type="checkbox"/> Related Parent <input type="checkbox"/> Other <input type="checkbox"/> Vacant

**PLEASE ATTACH THE FOLLOWING INFORMATION:**

**MOST RECENT YEAR'S 1040 OR  
LAST 3 MONTHS OF PAYCHECK STUBS**

PROOF OF HOMEOWNERSHIP  
(copy of Property Tax Bill)

ATTACH A BRIEF DESCRIPTION OF DAMAGE

SIGN AND RETURN LEAD-BASED PAINT  
DISCLOSURE

### PRIVACY ACT STATEMENT

**Routine Uses:** The information will be given to agencies from which you are seeking assistance. It may also be shared with insurers of your damaged property along with other disaster assistance providers and State and Federal agencies to ensure benefits are not duplicated and in order to monitor compliance with state and federal regulations.

**Mandatory or Voluntary Disclosure:** Giving us this information is voluntary; however, failure to give us the information may result in a delay or rejection of your request for disaster assistance.

### NON-DISCRIMINATION STATEMENT

Federal law requires that disaster aid be given in a fair and impartial manner, without discrimination on the grounds of race, color, religion, nationality, sex, age, handicap, or familial status.

### MARITAL PROPERTY AGREEMENT

No provision of a marital property agreement (including a Statutory Individual Property Agreement pursuant to Sec. 766.587, Wis. Stats.), unilateral statement classifying income from separate property under Sec. 766.59, or court decree under Sec. 766.70 adversely affects the creditor unless the creditor is furnished with a copy of the document prior to the credit transaction or has actual knowledge of its adverse provisions at the time the obligation is incurred.

### APPLICANT'S STATEMENT AND RELEASE

By my signature I certify that I have read and understand all statements in this application.:

- All information I have given is true and correct to the best of my knowledge.
- This is the only CDBG-EAP Disaster application submitted for the property described in this application.
- I will return any disaster aid money I receive from the State of Wisconsin or any other source if I receive insurance or other money for the same loss.
- I am the legal owner of the property described on this application:

I understand that if I intentionally make false statement or conceal any information in an attempt to obtain disaster aid, it is a violation of Federal and State laws that carry severe criminal and civil penalties.

I authorize the local unit of government to verify all information given by me about my property, income, employment, and dependents in order to determine my eligibility for disaster aid; and

I authorize and direct all custodians of records of my insurance company, employer, and public or private agency, bank, financial institution or credit data service to release information to the local unit of government upon request.

Are you a United States Citizen or a Qualified Alien? ☐ Yes ☐ No

I have read, or had read to me, the above information, and I understand it.

Owner Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Co-Owner Signature: \_\_\_\_\_

Date: \_\_\_\_\_

# COMMUNITY DEVELOPMENT BLOCK GRANT - EMERGENCY ASSISTANCE PROGRAM

## INITIAL INSPECTION FORM

Owner: \_\_\_\_\_ Telephone: \_\_\_\_\_

Rehab Address: \_\_\_\_\_ Age of Home: \_\_\_\_\_

### EXTERIOR:

Foundation \_\_\_\_\_

Walls (Siding, etc.) \_\_\_\_\_

Roof (age) \_\_\_\_\_

Chimney \_\_\_\_\_

Windows (breakage, frame, trim) \_\_\_\_\_

Porches and Steps \_\_\_\_\_

Fascia and Soffits \_\_\_\_\_

Gutters and Downspouts \_\_\_\_\_

Storms and Screens \_\_\_\_\_

Accessory buildings, walks, driveway \_\_\_\_\_

### INTERIOR: (List materials, condition, cracks, sagging, or missing materials)

<u>Dining Room:</u>  Floors _____ Walls _____ Ceiling _____	  Electrical Outlets & Fixtures _____ Windows _____ Other _____
<u>Living Room:</u>  Floors _____ Walls _____ Ceiling _____	  Electrical Outlets & Fixtures _____ Windows _____ Other _____
<u>Hallways:</u>  Floors _____	  Walls _____
<u>Stairways:</u>  Floors _____	  Walls _____

<b><u>Kitchen:</u></b>  Floors _____ Walls _____ Ceiling _____ Electrical Outlets & Fixtures _____	Windows _____ Stove, Sink, Refrigerator _____ Storage, Work Space _____ Other _____
<b><u>Bath:</u></b>  Floors _____ Walls/Ceiling _____ Plumbing Fixtures _____	Electrical Outlets & Fixtures _____ Window or Fan _____ Other _____
<b><u>Bedroom:</u></b>  Floors _____ Walls _____ Ceiling _____	Electrical Outlets & Fixtures _____ Windows _____ Closet _____

**Other rooms:** \_\_\_\_\_

Window in each room? \_\_\_\_\_ Smoke Detector(s) present? \_\_\_\_\_ Where? \_\_\_\_\_

**GENERAL:**

Plumbing \_\_\_\_\_

Hot Water \_\_\_\_\_

Sewer \_\_\_\_\_

Electrical \_\_\_\_\_

Smoke Detectors \_\_\_\_\_

Heating (Kind: check venting) \_\_\_\_\_

Insulation (Type: where needed) \_\_\_\_\_

Basement (construction, water damage) \_\_\_\_\_

Painted Surfaces \_\_\_\_\_

Lead-Based Paint Concerns \_\_\_\_\_

Inspector: \_\_\_\_\_ Date: \_\_\_\_\_

**ESTIMATED COST OF REHABILITATION:** \_\_\_\_\_

**COMMUNITY DEVELOPMENT BLOCK GRANT - EMERGENCY ASSISTANCE PROGRAM**

PROGRESS INSPECTIONS

Applicant: \_\_\_\_\_

Address: \_\_\_\_\_ Application Number: \_\_\_\_\_

Contractor: \_\_\_\_\_

Job Starting Date: \_\_\_\_\_

PERIODIC REHABILITATION INSPECTIONS

Date: \_\_\_\_\_ Inspector: \_\_\_\_\_

Remarks: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_ % Complete: \_\_\_\_\_

Date: \_\_\_\_\_ Inspector: \_\_\_\_\_

Remarks: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_ % Complete: \_\_\_\_\_

Date: \_\_\_\_\_ Inspector: \_\_\_\_\_

Remarks: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_ % Complete: \_\_\_\_\_

**COMMUNITY DEVELOPMENT BLOCK GRANT - EMERGENCY ASSISTANCE PROGRAM**

**FINAL INSPECTION CHECKLIST**

Application Number: \_\_\_\_\_ Date of Inspection: \_\_\_\_\_

Applicant: \_\_\_\_\_

Address: \_\_\_\_\_

Contractors:

1. \_\_\_\_\_ Final Lien Waiver Rec'd: \_\_\_\_\_

Contract Award: \_\_\_\_\_ Final Amount: \_\_\_\_\_

2. \_\_\_\_\_ Final Lien Waiver Rec'd: \_\_\_\_\_

Contract Award: \_\_\_\_\_ Final Amount: \_\_\_\_\_

3. \_\_\_\_\_ Final Lien Waiver Rec'd: \_\_\_\_\_

Contract Award: \_\_\_\_\_ Final Amount: \_\_\_\_\_

Work Completed:

\_\_\_\_\_ See attached checklist of project specifications.

\_\_\_\_\_ Property has been checked for lead paint hazards.

\_\_\_\_\_ Smoke detectors are installed on each floor of the home.

\_\_\_\_\_ Change orders, if necessary, are signed.

Reason for change orders: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Unit meets Section 8 Housing Quality Standards: \_\_\_\_\_ Yes \_\_\_\_\_ No

This inspection finds construction work completed in accordance with the construction contract.

\_\_\_\_\_ Date: \_\_\_\_\_

Photo Taken: \_\_\_\_\_ Date: \_\_\_\_\_

**COMMUNITY DEVELOPMENT BLOCK GRANT - EMERGENCY ASSISTANCE PROGRAM**

NOTICE OF ELIGIBILITY

Date:

To:

RE:

Dear

Your application for a housing rehabilitation grant under the Community Development Block Grant-Emergency Assistance Program has been reviewed and the financial information provided has been verified. Using pre-established criteria, we have determined that you are eligible for a housing rehabilitation grant.

Please contact this office by calling (\_\_\_\_) \_\_\_\_ - \_\_\_\_ to arrange a time for our inspector to visit your home to prepare a work write-up.

Sincerely,

---

Program Administrator

**COMMUNITY DEVELOPMENT BLOCK GRANT - EMERGENCY ASSISTANCE PROGRAM**

**NOTICE OF INELIGIBILITY**

Date:

To:

RE:

Your application for a housing rehabilitation grant under the Community Development Block Grant-Emergency Assistance Program has been reviewed and the financial information provided has been verified. Using pre-established criteria, we have determined that you are not eligible for a housing rehabilitation grant. The reason for this determination is \_\_\_\_\_.

\_\_\_\_\_.

All applications were ranked using identification numbers, rather than applicant's names, to ensure that all selections were fair and unbiased.

Due to the limited amount of Program funds available, not all applicants could be served. Thank you for your interest in this program. If you should have any questions regarding this determination, please feel free to contact this office.

Sincerely,

\_\_\_\_\_  
Program Administrator

**COMMUNITY DEVELOPMENT BLOCK GRANT - EMERGENCY ASSISTANCE PROGRAM**

**OWNERSHIP VERIFICATION**

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Legal Description: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Type of Instrument Recorded: \_\_\_\_\_

Date Recorded: \_\_\_\_\_

Ownership of the above property was verified by a member of the Community Development Staff from the Register of Deeds Office and from \_\_\_\_\_ Clerk of Courts.

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date \_\_\_\_\_

**COMMUNITY DEVELOPMENT BLOCK GRANT - EMERGENCY ASSISTANCE PROGRAM**

**VERIFICATION OF EMPLOYMENT**

Date:

To:

RE:

The applicant identified above has applied for a housing rehabilitation grant through the \_\_\_\_\_ Community Development Block Grant - Emergency Assistance Program. To be eligible for a loan under this program, an applicant's income may not exceed certain levels. Please provide the following information to verify the applicant's financial eligibility.

The information requested is for the confidential use of this agency and the Wisconsin Bureau of Housing. Below is the signature of the applicant authorizing us to obtain this information. Thank you for your cooperation.

Sincerely,

\_\_\_\_\_  
Program Administrator

\* \* \* \* \*

Position: \_\_\_\_\_

Dates of Employment: \_\_\_\_\_

Current Hourly Rate: \_\_\_\_\_

Estimated Commission/Bonus: \_\_\_\_\_ Overtime: \_\_\_\_\_

You have my permission to release the above information.

\_\_\_\_\_  
Signature of Applicant

\_\_\_\_\_  
Date

The above information is furnished in strict confidence, in response to your request.

\_\_\_\_\_  
Signature of Employer

\_\_\_\_\_  
Date

**COMMUNITY DEVELOPMENT BLOCK GRANT - EMERGENCY ASSISTANCE PROGRAM**

VERIFICATION OF RETIREMENT OR DISABILITY PENSION

Date:

To:

RE:   Applicant:

Address:

The applicant identified above has applied for a housing rehabilitation grant through the \_\_\_\_\_ Community Development Block Grant -Emergency Assistance Program. To be eligible for a grant under this program, an applicant's income may not exceed certain levels. Please provide the following information to verify the applicant's financial eligibility.

The information requested is for the confidential use of this agency and the Wisconsin Bureau of Housing. Below is the signature of the applicant authorizing us to obtain this information. Thank you for your cooperation.

Sincerely,

\_\_\_\_\_  
Program Administrator

\* \* \* \* \*

Type of monthly benefits: \_\_\_\_\_

Monthly amount: \_\_\_\_\_

You have my permission to release the above information.

\_\_\_\_\_  
Signature of Applicant

\_\_\_\_\_  
Date

The above information is furnished in strict confidence, in response to your request.

\_\_\_\_\_  
Signature of Employer

\_\_\_\_\_  
Date

**COMMUNITY DEVELOPMENT BLOCK GRANT - EMERGENCY ASSISTANCE PROGRAM**

VERIFICATION OF UNEMPLOYMENT COMPENSATION

Date:

To:

RE:   Applicant:

Address:

Social Security No.:

The applicant identified above has applied for a housing rehabilitation grant through the \_\_\_\_\_ Community Development Block Grant - Emergency Assistance Program. To be eligible for a grant under this program, an applicant's income may not exceed certain levels. Please provide the following information to verify the applicant's financial eligibility.

The information requested is for the confidential use of this agency and the Wisconsin Bureau of Housing. Below is the signature of the applicant authorizing us to obtain this information. Thank you for your cooperation.

Sincerely,

\_\_\_\_\_  
Program Administrator

\* \* \* \* \*

Weekly Compensation Amount: \_\_\_\_\_

You have my permission to release the above information.

\_\_\_\_\_  
Signature of Applicant

\_\_\_\_\_  
Date

The above information is furnished in strict confidence, in response to your request.

\_\_\_\_\_  
Signature of Unemployment  
Compensation Official

\_\_\_\_\_  
Date

**COMMUNITY DEVELOPMENT BLOCK GRANT - EMERGENCY ASSISTANCE PROGRAM**

VERIFICATION OF SOCIAL SECURITY INCOME

Date:

To:

RE: Applicant(s):

Address:

Social Security No.:

The applicant identified above has applied for a housing rehabilitation grant through the \_\_\_\_\_ Community Development Block Grant - Emergency Assistance Program. To be eligible for a grant under this program, an applicant's income may not exceed certain levels. Please provide the following information to verify the applicant's financial eligibility.

The information requested is for the confidential use of this agency and the Wisconsin Bureau of Housing. Below is the signature of the applicant authorizing us to obtain this information. Thank you for your cooperation.

Sincerely,

\_\_\_\_\_  
Program Administrator

\* \* \* \* \*

Monthly Income Amount: \_\_\_\_\_

You have my permission to release the above information.

\_\_\_\_\_  
Signature of Applicant

\_\_\_\_\_  
Date

The above information is furnished in strict confidence, in response to your request.

\_\_\_\_\_  
Signature of Social Security Official

\_\_\_\_\_  
Date

## COMMUNITY DEVELOPMENT BLOCK GRANT - EMERGENCY ASSISTANCE PROGRAM

### GENERAL RELEASE OF INFORMATION

To Whom It May Concern:

I/We have applied for a grant and hereby authorize you to release to the \_\_\_\_\_ the requested information listed below:

1. Previous and past employment history including employer, period employed, title of position, income, and hours worked.
2. Disability payments, social security, and pension funds.
3. Any information deemed necessary in connection with a consumer credit report or a real estate transaction.

This information will be for the confidential use of the \_\_\_\_\_ in determining my/our eligibility for a grant or to confirm information I/we have supplied. Please complete the attached verification request.

A photo or fax copy of this document may be deemed to be the equivalent of the original and may be used as a duplicate original. The original signed release of information form will be kept on record with the \_\_\_\_\_.

\_\_\_\_\_  
Last, First, M.I.

\_\_\_\_\_  
Last, First, M.I.

\_\_\_\_\_  
Social Security #

\_\_\_\_\_  
Social Security #

\_\_\_\_\_  
Street Address

\_\_\_\_\_  
Street Address

\_\_\_\_\_  
City, State, Zip Code

\_\_\_\_\_  
City, State, Zip Code

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

NOTICE TO BORROWERS: This notice to you is required by the Right to Financial Privacy Act of 1978. The Department of Housing and Urban Development, Federal Housing Administration or Veterans Administration have a right of access to financial records held by financial institutions in connection with the consideration or administration of assistance to you. Financial records involving your transaction will be available to HUD, FHA, or VA without further notice or authorization but will not be disclosed or released by this institution to another government agency without your consent except as required by law.

## COMMUNITY DEVELOPMENT BLOCK GRANT - EMERGENCY ASSISTANCE PROGRAM

### REHABILITATION CONTRACT

Project Number: \_\_\_\_\_

Property Owner(s): \_\_\_\_\_

Property Address: \_\_\_\_\_

Contractor: \_\_\_\_\_

The undersigned contractor shall furnish labor, equipment, supplies and materials required for proper execution and completion of the contract work in accordance with the attached specifications for the sum of \$\_\_\_\_\_.

The following are attached to and hereby made part of this contract:

- ATTACHMENT A: Contractor proposal and quote;
- ATTACHMENT B: General Conditions;
- ATTACHMENT C: Bid specifications and/or drawings for project at the above address.

**MATERIALS AND WORKMANSHIP:** All materials are guaranteed to be as specified in the bid specifications. Any alteration or deviation from the attached specifications will be executed only upon written consent of the property owner, contractor, and the CDBG-EAP Office. All work will be completed in a professional manner according to standard construction practices. The contractor, in all cases, shall leave the work in a finished condition as determined acceptable by the CDBG-EAP Program Building Inspector. All agreements are contingent upon strikes, accidents, or acts of God.

**PAYMENTS:** Payments shall be made to contractor as specified in the General Conditions. No extra costs will be paid when the contractor has neglected to properly evaluate the extent of the rehabilitation work.

**INSURANCE:** The owner shall carry fire, extended coverage and all other necessary insurance. The contractor shall carry comprehensive liability insurance as specified in the General Conditions. Contractor's workers shall be covered fully by Workmen's Compensation Insurance.

**CONTRACT TERMINATION:** Owner may terminate contract for poor work performance and inability of contractor to correct; inability of contractor to perform work within allotted time. Contractor may request to be removed from contract without penalty within 30 days of receiving Notice to Proceed. Contract may be terminated based on irreconcilable differences. Contract will be terminated if contractor has been debarred, or is otherwise ineligible to work on federal contracts.

No work shall commence by the contractor until a written *Notice to Proceed* is received.

The Owner and Contractor hereby agree to the conditions set forth above and Attachments A through C which are attached and made part of this contract.

\_\_\_\_\_  
Contractor

\_\_\_\_\_  
Date

\_\_\_\_\_  
Owner

\_\_\_\_\_  
Date

\_\_\_\_\_  
Owner

\_\_\_\_\_  
Date

## ATTACHMENT B

### GENERAL CONDITIONS

1. REHABILITATION LOAN. The Block Grant Program shall pay for the work listed in the Itemized Work Specifications (Specs) by means of a rehabilitation loan from the \_\_\_\_\_ to the property owner, payable through the Block Grant Program.
2. ADMINISTRATOR'S EXCLUSION. No member of the governing body of the locality and no other official, employee, or agent of the \_\_\_\_\_ government who exercises policy, decision-making functions or responsibilities in connection with the planning and implementation of the Block Grant Program shall have any interest, direct or indirect, in this contract.
3. PROVISIONS FOR OWNER. The owner shall permit the contractor to use, at no cost, existing utilities, such as light, heat, power and water, necessary to carry out and complete the work. Further, the owner shall cooperate with the contractor to facilitate the performance of the work, including the removal and replacement of rugs, coverings, and furniture, as necessary. The premises are to be occupied during the course of the construction work.
4. INSURANCE. Before commencing work, the contractor shall furnish the Block Grant Program with certificates showing evidence of comprehensive public liability insurance coverage protecting the owner for not less than ONE HUNDRED THOUSAND/THREE HUNDRED THOUSAND DOLLARS (\$100,000/\$300,000) in the event of bodily injury including death and ONE HUNDRED THOUSAND DOLLARS (\$100,000) in the event of property damage arising out of work performed by the contractor, and if applicable, show proof of his participation under Workman's Compensation Laws of the State of Wisconsin. The owner will carry fire extended coverage and other necessary insurance.
5. SUBCONTRACTORS AND ASSIGNMENTS. No subcontract or assignment of this contract shall be made without the written consent of the owner and the Block Grant Program.
6. SPECIAL CONDITIONS, SUBSTITUTIONS AND ADDITIONAL ITEMS. Any special conditions found and noted by the contractor during the initial examination of the property or during work which may require special work deviating from the Itemized Work Specifications, must receive approval in writing by the Block Grant Program and the owner before being carried out. No substitutions or alternatives for any part of this contract shall be accepted unless approved in writing by the Block Grant Program. Methods and types of construction for any such alternatives shall be submitted in drawings and/or specifications, prepared by the contractor, as part of the bid packet. The contractor shall notify the Block Grant Program of any obvious violations of applicable codes or omissions, which are not listed before the proposal is submitted.
7. COMMENCING AND COMPLETE WORK. The contractor shall commence work within \_\_\_\_\_ days after the Order to Proceed is issued and shall proceed with diligence to complete the work within \_\_\_\_\_ days thereafter. No work shall commence by the contractor until the contract is signed and a Notice to Proceed is issued. Contract extensions may be granted upon request and must be approved by the Block Grant Program and the owner.
8. CODES, PERMITS AND INSPECTIONS. All materials and work shall comply with applicable codes and regulations of the \_\_\_\_\_, including the local and state building codes, housing codes, zoning ordinance, state and local plumbing codes, heating codes, National Electric Code, floodplain ordinance, and property rehab standards, whether or not covered by the Itemized Work Specifications. The contractor shall secure at his own expense all necessary permits prior to the start of work. The contractor shall call the appropriate inspector when ready for any required inspections and shall secure approval by the appropriate inspector, including taking action to comply with any notice or orders issued by the inspector. The contractor shall permit representatives of the Department of Housing and Urban Development (HUD), State of Wisconsin, and \_\_\_\_\_ Block Grant Program to inspect all work under this contract.

9. PAYMENTS. The contractor shall be paid the contract price in one lump sum amount after the work is satisfactorily completed for contracts less than \$1,000. Contracts greater than \$1,000 shall be paid in a maximum of three lump sum payments. Progress payment requests shall be accompanied by a bill showing the amount of work completed and a lien waiver in the same amount. Up to 80% of work completed will be paid under a progress payment, with the balance due under the final payment. Work shall be inspected and approved by the Block Grant Program before any payments will be made. Progress payments are made at the discretion of the Administrator and the Inspector of the Block Grant Program. If disputes arise concerning payments for contract work, final determination will be made by the \_\_\_\_\_ CDBG-EAP Committee and the contractor agrees to abide by that decision.
10. LIEN WAIVERS. The contractor shall protect, defend and indemnify the owner from any claims for unpaid work, labor or materials. Payment shall not be due until the contractor has delivered to the Block Grant Program complete release of all liens arising out of this contract, or receipts in full covering all labor and materials for which a lien could be filed, or a bond satisfactory to the owner indemnifying him against any lien, all to the satisfaction of the Block Grant Program.
11. HOLD HARMLESS. The contractor shall defend, indemnify and hold harmless the owner and the \_\_\_\_\_ Block Grant Program, its officers, commissioners and employees from liability and claim for damages because of bodily injury, death, property damage, sickness, disease or loss and expense arising from the contractor's operations under this contract.
12. CONDITION OF PREMISES AND EXCESS MATERIALS. The contractor shall keep the premises clean and orderly during the course of the work and at the completion of the work shall remove all debris, except materials that have been removed and replaced as part of the work that the owner wishes to keep. All excess new materials shall belong to the contractor, except that the owner shall have the right to keep small quantities for "touch-up" or other small repairs.
13. GENERAL GUARANTEE. The contractor shall remedy any defect due to faulty material or workmanship and pay for any damage to other work resulting therefrom which appears within the period of one year from the date of final payment of all work required by the contract. This includes completing any items listed on the specs that may have been missed during the rehab and inspection process that are discovered within one year.
14. GENERAL REHABILITATION WHEN DISTURBING PAINTED SURFACES. When children under six years of age occupy the unit, proper construction and clean-up procedures must be followed when completing any rehab work items that disturb any painted surfaces. All federal and state guidelines must be adhered to.
15. GENERAL REHABILITATION SPECIFICATIONS FOR PAINTING. All painting products shall be standard nationally-known brands of "best grade" first-line quality. No lead-based paint shall be used. The owner shall select paint colors only. All paint shall be delivered to the job site in unopened labeled containers. All painting products shall be applied in strict accordance with manufacturer's recommendations and specifications. Interior and exterior surfaces shall be prepared by scraping loose paint, pointing up all cracks and holes, patching plaster surfaces on interior work, removing nails, hooks, fasteners, etc., and sanding smooth. All joints in exterior trim, siding and frames shall be caulked before painting. The painting of a room shall include all ceilings, walls, base, window and door trim, interiors and exteriors of all closets, and both sides and edges of doors. All surfaces, including floors, walls, ceilings, trim, doors and windows shall be cleaned and excessive paint removed from same upon completion of painting work. When children under six years of age occupy the unit and when no paint testing has been done, all painted surfaces are to be treated as if they contain lead-based paint, with the proper precautions to be taken when completing rehab work and clean up. Reasonable care shall be exercised in moving ladders and scaffolding about the dwelling to avoid damage to shrubbery and premises.

16. EQUAL OPPORTUNITY. The owner, contractor, subcontractor, and \_\_\_\_\_ shall comply with all requirements of Section 503 of the Rehabilitation Act of 1973. The requirements prohibit discrimination against any employee or applicant for employment because of physical or mental handicap. All requirements with respect to Section 109 of the Housing and Community Development Act of 1974 shall be complied with. These requirements state that no person shall, on the grounds of race, color, national origin, or sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity funded in whole or part with funds made available for Community Development Block Grant Housing Rehabilitation projects.
17. ADDITIONAL PROVISIONS. The contractor shall be required to:
- a. Minimize inconvenience to the owner and occupants. At least one toilet and sink with hot and cold running water shall be connected at the end of each workday. Arrangements shall be made to provide temporary heat to the structure whenever a furnace is disconnected for more than 12 hours when the outside temperature is below 40° F.
  - b. Work only during normal work hours (weekdays 6:00 a.m. to 6:00 p.m.) unless authorized by the owner.
  - c. Take reasonable precautions to protect the structure and its contents from weather damage during the course of the work.

**COMMUNITY DEVELOPMENT BLOCK GRANT - EMERGENCY ASSISTANCE PROGRAM**

APPLICANT'S AUTHORIZATION TO TERMS AND CONDITION OF GRANT

An application for assistance has been prepared by the \_\_\_\_\_  
Community Development Department staff for your property located at \_\_\_\_\_  
\_\_\_\_\_(address).

Please read the following to make certain you understand the conditions under which you are receiving this grant.

I have provided true and accurate documentation regarding the damage to my home caused by \_\_\_\_\_  
\_\_\_\_\_.

I have provided true and accurate documentation of the payments I have made to repair that damage.

I have provided true and accurate documentation of any and all insurance, grants or other payments I have received to repair that damage.

I understand and agree that it will be necessary to allow authorized personnel to verify the damage caused by the \_\_\_\_\_ through pictures, news articles or other documentation.

I understand and agree that it will be necessary to allow authorized personnel to verify that the scope of the work done to repair that damage is appropriate and that the work is done satisfactorily.

I understand and agree that the funds I receive through the CDBG-Emergency Assistance Program are a grant. The CDBG-EAP funds will provide up to 100 percent of the rehabilitation cost.

I have read, understand and accept the terms and condition of the application for financial assistance. I further agree that should disputes concerning reimbursement arise, final determination will be made by the \_\_\_\_\_ Community Development Department and I will abide by that decision.

\_\_\_\_\_  
Owner

\_\_\_\_\_  
Date

\_\_\_\_\_  
Owner

\_\_\_\_\_  
Date

## COMMUNITY DEVELOPMENT BLOCK GRANT - EMERGENCY ASSISTANCE PROGRAM

### APPLICANT'S AUTHORIZATION TO TERMS AND CONDITIONS OF GRANT

An application for rehabilitation assistance has been prepared by the \_\_\_\_\_  
Community Development Department staff for your property located at \_\_\_\_\_  
\_\_\_\_\_ (**address**). Before any work is started, we wish to make certain that you fully  
understand all that is involved in this application and authorize us to proceed with the work.

Please read each statement below carefully. If you accept these items, we request you sign your name, as  
this will become part of our file. A copy will be given to you for your records.

1. I have received a complete explanation and copy of the rehabilitation work to be performed and  
the cost involved, as outlined in the work write-up or specifications.
2. I have been shown the competitive bids for the specified work and have selected the firm(s) of  
\_\_\_\_\_ to be  
the contractor(s) and will abide by the terms of the contract covering this work.
3. I understand that in matters concerning the selection of paint colors, types of fixtures and other  
items not involving a change in the specifications of work write-up, the choice will be mine and I  
will deal directly with the contractor or through the CDBG-EAP Program Administrator.
4. I understand and agree that it will be necessary to allow authorized personnel to inspect the work  
in progress and upon completion, in order to assure that this work meets the specifications.
5. I understand that the CDBG-EAP is a grant. The CDBG-EAP funds will provide up to 100 percent  
of the rehabilitation cost.
6. I understand and agree that I will not make any changes to the work write-ups or specifications  
without the written approval of the Community Development Department.
7. I have read, understand, and accept the terms and conditions of the application for financial  
assistance and the Rehabilitation Contract and agree that should disputes concerning payment to  
contractors arise, final determination will be made by the \_\_\_\_\_ Community  
Development Department and I will abide by that decision.

\_\_\_\_\_  
Owner

\_\_\_\_\_  
Date

\_\_\_\_\_  
Owner

\_\_\_\_\_  
Date

## COMMUNITY DEVELOPMENT BLOCK GRANT - EMERGENCY ASSISTANCE PROGRAM

### APPLICANT LABOR AGREEMENT

This Agreement between the \_\_\_\_\_ and \_\_\_\_\_  
(Applicant) certifies that all parties have agreed to the warranties and declarations below:

1. Applicant has the ability and skills to perform the work agreed to on the Work Write-Up.
2. Applicant will secure all necessary permits and comply with all applicable building codes, regulations and ordinances.
3. Applicant will defend, indemnify, and hold harmless the officers, members, and employees of the \_\_\_\_\_ from any and all damages and claims for damages resulting from personal injury and property damage, arising or in any way resulting from his/her performance under this Agreement.
4. Applicant has agreed to supply his/her services without compensation to accomplish the work agreed to in the Work Write-Up.
5. Applicant will not treat materials or supplies delivered or installed pursuant to this Agreement as his/her own until a Completion Certificate have been executed by the Applicant and the \_\_\_\_\_.
6. Applicant certifies that there will be no unpaid claims for materials, supplies or equipment and no claims of subcontractors or other workers for unpaid wages arising out of the performance of this Agreement.
7. Applicant agrees to supply the \_\_\_\_\_ Community Development Department with a lien waiver or receipts for materials from all suppliers prior to signing of the Completion Certificate.
8. Applicant agrees to the following work schedule. Failure to complete work according to the schedule in a manner acceptable to the \_\_\_\_\_ may constitute a breach of this Agreement.

Dollars Disbursed	Work to be Done	Work to be Completed by
-------------------	-----------------	-------------------------

9. In the event that the Applicant breaches any of the declarations and warranties herein, Applicant hereby agrees that the \_\_\_\_\_ has the following remedies:
  - a. The \_\_\_\_\_ may require the completion of the work cited in the Work Write-Up by contractors designated by the \_\_\_\_\_. In the event the above option is exercised, **Applicant understands that the costs of all \*necessary work will be paid for by the applicant (in the event that the original grant has been depleted).** In this case, the Applicant will permit entry into the premises to be improved to the extent necessary to complete those improvements.

\_\_\_\_\_  
Signature of Applicant

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature of Program Administrator

\_\_\_\_\_  
Date

**COMMUNITY DEVELOPMENT BLOCK GRANT - EMERGENCY ASSISTANCE PROGRAM**

CONTRACTOR PREFERENCE FORM

Date:

To: Program Administrator

I, \_\_\_\_\_, have freely chosen the contractors listed below to submit a bid for rehabilitation work to be done on my property located at: \_\_\_\_\_. I understand that when it is practical, I will receive at least three bids from contractors within the County of \_\_\_\_\_.

Contractor/Contractor's Address: \_\_\_\_\_  
\_\_\_\_\_

Contractor/Contractor's Address: \_\_\_\_\_  
\_\_\_\_\_

Contractor/Contractor's Address: \_\_\_\_\_  
\_\_\_\_\_

Further, I understand that I have the right to reject any and all bids and it is my responsibility to select contractors for the rehabilitation work to be done on my property stated above.

I have been advised of the intended work to be done on my property and I have reviewed the specifications and they meet with my approval.

Further, I agree that there will be no changes in the specifications unless they are in writing and agreed to by the Program Administrator, contractor and myself.

\_\_\_\_\_  
Property Owner

**COMMUNITY DEVELOPMENT BLOCK GRANT - EMERGENCY ASSISTANCE PROGRAM**

NOTICE OF REJECTION

Date:

To:

RE:

Dear

You are hereby advised that the contract for the above-referenced project was not awarded to your firm.

Your efforts were appreciated, however, and we hope you will continue to bid on future rehabilitation projects funded through this program.

Sincerely,

---

Program Administrator

**COMMUNITY DEVELOPMENT BLOCK GRANT - EMERGENCY ASSISTANCE PROGRAM**

NOTICE OF AWARD

Date:

To:

RE:

Dear

You are hereby advised that the contract for the above-referenced project has been awarded to your firm. Please sign the enclosed contract and return it to this office for further processing. Following execution by the \_\_\_\_\_, and homeowner, a fully executed copy will be returned to you for your files.

Work may begin on this project only after you have been issued a written Notice to Proceed.

Sincerely,

\_\_\_\_\_  
Program Administrator

## COMMUNITY DEVELOPMENT BLOCK GRANT - EMERGENCY ASSISTANCE PROGRAM

## WORK WRITE-UP

Project No.: \_\_\_\_\_

Date: \_\_\_\_\_

Owner: \_\_\_\_\_

Project Address: \_\_\_\_\_

Contractor: \_\_\_\_\_

ITEM	DESCRIPTION OF WORK	COST

TOTAL COST \_\_\_\_\_

Contractor \_\_\_\_\_

Date \_\_\_\_\_

Owner \_\_\_\_\_

Date \_\_\_\_\_

---

Program Administrator

Date \_\_\_\_\_

**COMMUNITY DEVELOPMENT BLOCK GRANT - EMERGENCY ASSISTANCE PROGRAM**

NOTICE TO PROCEED

Date:

To:

RE:

Dear

You are hereby notified to commence work on the above-referenced project. Work is to begin on or before \_\_\_\_\_ . It is expected the contracted work will be completed within \_\_\_\_\_ days. Notify the CDBG-EAP office immediately with any change in schedule.

\_\_\_\_\_  
Program Administrator

\_\_\_\_\_  
Date

\_\_\_\_\_  
Property Owner

\_\_\_\_\_  
Date

**COMMUNITY DEVELOPMENT BLOCK GRANT - EMERGENCY ASSISTANCE PROGRAM**

CONTRACTOR'S PAYMENT REQUEST NO. \_\_\_\_\_

Project No.: \_\_\_\_\_

Date: \_\_\_\_\_

Owner: \_\_\_\_\_

Project Address: \_\_\_\_\_

Contractor: \_\_\_\_\_

---

**CONTRACT SUMMARY**

Original Contract Amount \_\_\_\_\_

Change Order Addition \_\_\_\_\_

Change Order Deduction \_\_\_\_\_

Net Change by Change Orders \_\_\_\_\_

Net Revised Contract Amount \_\_\_\_\_

---

**THIS CONTRACT**

Completed to Date \_\_\_\_\_

Less Amount Retained (20%) \_\_\_\_\_

Less Previous Balance \_\_\_\_\_

Amount Due This Request \_\_\_\_\_

---

I hereby certify that the data reported above is correct, rehabilitation work has been performed in a satisfactory manner and in full compliance with the contract, and the amount requested is justified by the work which has been completed.

---

\_\_\_\_\_  
Contractor

\_\_\_\_\_  
Date

\_\_\_\_\_  
Owner

\_\_\_\_\_  
Date

\_\_\_\_\_  
Program Administrator

\_\_\_\_\_  
Date

**COMMUNITY DEVELOPMENT BLOCK GRANT - EMERGENCY ASSISTANCE PROGRAM**

CHANGE ORDER NO. \_\_\_\_\_

Project No.: \_\_\_\_\_

Date: \_\_\_\_\_

Owner: \_\_\_\_\_

Project Address: \_\_\_\_\_

Contractor: \_\_\_\_\_

-----  
Change Ordered:

-----  
Reason for Change Order:

-----  
**CONTRACT AMOUNT**

Original Contract Amount \_\_\_\_\_

Previous Change Orders \_\_\_\_\_

Change Order Addition \_\_\_\_\_

Change Order Deduction \_\_\_\_\_

Revised Contract Amount \_\_\_\_\_

-----  
This document shall become an amendment to the Contract and all stipulations and covenants of the Contract shall apply hereto.  
-----

\_\_\_\_\_  
Contractor

\_\_\_\_\_  
Date

\_\_\_\_\_  
Owner

\_\_\_\_\_  
Date

\_\_\_\_\_  
Program Administrator

\_\_\_\_\_  
Date

**COMMUNITY DEVELOPMENT BLOCK GRANT - EMERGENCY ASSISTANCE PROGRAM**

**MATERIALS/SUPPLIES LIEN WAIVER**

For value received, I hereby waive my rights and claims for lien on land, buildings or appurtenances altered or repaired or constructed for \_\_\_\_\_, Owner;  
by \_\_\_\_\_ Contractor,  
the property situated in \_\_\_\_\_ County, State of Wisconsin, and located at: \_\_\_\_\_  
\_\_\_\_\_ for all materials furnished for the  
construction, alteration or repair of said building and appurtenances to date.

\_\_\_\_\_  
Name of Supplier

\_\_\_\_\_  
Signature of Supplier

\_\_\_\_\_  
Date

**COMMUNITY DEVELOPMENT BLOCK GRANT - EMERGENCY ASSISTANCE PROGRAM**

LABOR LIEN WAIVER

For value received, I hereby waive my rights and claims for lien on land and on buildings or appurtenances altered or repaired or constructed, for \_\_\_\_\_, Owner, by \_\_\_\_\_ Contractor, the property situated in \_\_\_\_\_ County, State of Wisconsin, and located at: \_\_\_\_\_ for all labor performed and for all material furnished for the construction, alteration or repair of said building and appurtenances to date.

\_\_\_\_\_  
Name of Firm

\_\_\_\_\_  
Contractor/Subcontractor Signature

\_\_\_\_\_  
Date

**COMMUNITY DEVELOPMENT BLOCK GRANT - EMERGENCY ASSISTANCE PROGRAM**

CLOSEOUT LETTER FOR OWNER-OCCUPIED UNIT

Date:

Dear:

This letter serves as the official closing notice for your CDBG-EAP rehabilitation loan with the \_\_\_\_\_.

A final inspection of your property has been made and all specifications for work to be done are complete. The final payment to the hired contractor(s) has been made.

Payments made to contractor(s) are listed below:

<u>Date</u>	<u>Contractor Name</u>	<u>Amount</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
Total Amount of Payments		_____

Thank you for your participating in the CDBG-EAP Program. Please contact our office if you have any concerns.

Sincerely,

Program Administrator

**COMMUNITY DEVELOPMENT BLOCK GRANT - EMERGENCY ASSISTANCE PROGRAM**

**LEAD-BASED PAINT PAMPHLET RECEIPT FORM**

I have received a copy of the Environmental Protection Agency (EPA) pamphlet entitled  
"Protect Your Family from Lead in Your Home."

\_\_\_\_\_  
Signature of Applicant

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature of Applicant

\_\_\_\_\_  
Date